

CORRESPONDENCE

BETWEEN THE

UNITED STATES GOVERNMENT

AND THE

GOVERNMENT OF CANADA

CONCERNING THE

ST. LAWRENCE RIVER
IMPROVEMENT SCHEME

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BRITISH EMBASSY,

WASHINGTON, D.C., May 18, 1922.

No. 127

MY LORD,—I have the honour to transmit herewith, for the information of Your Excellency's Ministers, copy of a note dated May 17 which I have received from the Secretary of State, containing certain suggestions with reference to the report of the International Joint Commission with respect to the St. Lawrence River improvement scheme.

I understand from the State Department that the President is anxious to make public at the earliest possible moment a short statement to the effect that the United States Government have raised this question officially with the Government of the Dominion. I should, therefore, be glad if Your Excellency would inform me by telegram as soon as possible after the receipt of this despatch whether the Canadian Government have any objection to the publication of a statement to this effect. In making this announcement the United States Government do not propose nor desire to enter into any details as to the suggestions now communicated.

I have to add that I have received a lengthy despatch from His Majesty's Consul General at Chicago on the subject of the St. Lawrence River improvement, copies of which will be transmitted to Your Excellency as soon as they can be prepared.

I have the honour to be, My Lord,

Your Excellency's most obedient, humble servant

(Sd.) A. C. GEDDES.

His Excellency

The LORD BYNG OF VIMY, G.C.B.,

etc., etc., etc.,

Governor General of Canada,

Ottawa, Canada.

12 GEORGE V, A. 1922

Copy.

DEPARTMENT OF STATE,

WASHINGTON, May 17, 1922.

No. —

EXCELLENCY,—On January 21, 1920, the Governments of the United States and Canada referred to the International Joint Commission for investigation and report under the terms of Article IX of the Treaty of January 11, 1909, relating to boundary waters, certain questions with respect to the improvement of the St. Lawrence river between lake Ontario and Montreal for navigation and for the development of water-power. The Commission made a report bearing date of December 19, 1921. For convenience I may call attention to the following recommendations which the Commission submitted after setting forth the results of its investigation:—

In harmony with its conclusions as outlined in the foregoing report the commission recommends:

(1) That the Governments of the United States and Canada enter into an arrangement by way of treaty for a scheme of improvement of the St. Lawrence river between Montreal and lake Ontario.

(2) That the new Welland ship canal be embodied in said scheme and treated as a part thereof.

(3) That the proposed works between Montreal and lake Ontario be based upon the report of the engineering board accompanying this report, but that before any final decision is reached the report of the board, together with such comments, criticisms, and alternative plans as have been filed with the commission be referred back to the board enlarged by other leading members of the engineering profession, to the end that the whole question be given that further and complete study that its magnitude and importance demand, and that after completion the administrative features of the improvement be carried out as set forth in recommendations 7 and 8 hereof.

(4) That there shall be an exhaustive investigation of the extent and character of the damage through flowage involved in the plan of development finally adopted.

(5) That, assuming the adoption of the plans of the engineering board, or of other plans also involving a readjustment of the international boundary, in order to bring each of the power houses on its own side of the boundary, appropriate steps be taken to transfer to one country or the other, as the case may be, the slight acreage of submerged land involved.

(6) That Canada proceed with the works necessary for the completion of said New Welland ship canal in accordance with the plans already decided upon by that country.

(7) That such "navigation works" as do not lie wholly within one country or are not capable of economic and efficient construction, maintenance, and operation within one country as complete and independent units, be maintained and operated by a board hereinafter called "the International Board," on which each country shall have equal representation.

SESSIONAL PAPER No. 89a

(8) That such "navigation works" as lie wholly within one country and are capable of economic and efficient construction, maintenance, and operation as complete and independent units be maintained and operated by the country in which they are located with the right of inspection by the said international board to insure economy and efficiency.

(9) That "power works" be built, installed, and operated by and at the expense of the country in which they are located.

(10) That, except as set forth in recommendation (11), the cost of all 'navigation works' be apportioned between the two countries on the basis of the benefits each will receive from the new waterway: *Provided*, That during the period ending five years after completion of the works and to be known as the Construction Period—the ratio fixing the amount chargeable to each country shall be determined upon certain known factors, such as the developed resources and foreign and coastwise trade of each country within the territory economically tributary to the proposed waterway, and that that ratio shall be adjusted every five years thereafter and based upon the freight tonnage of each country actually using the waterway during the previous five-year period.

(11) That the cost of 'navigation works' for the combined use of navigation and power over and above the cost of works necessary for navigation alone should be apportioned equally between the two countries.

It will be observed that the Commission recommends that an arrangement be entered into by way of a treaty for a scheme of improvement of the St. Lawrence river between Montreal and lake Ontario, and that the works contemplated by such arrangement be based upon the report of the Board of Engineers which accompanied the report of the Commission.

The Board of Engineers submitted specific recommendations with regard to the improvement of navigation and the development of water power. The Board's recommendations and discussions deal with the project in five divisions and comprehend details of construction and estimates of costs thereof. The Board limited itself to the specific investigation entrusted to it with regard to a survey of the St. Lawrence river from Montreal to lake Ontario. The International Joint Commission has recommended that the New Welland ship canal be embodied in and made a part of the project under consideration.

The report of the Joint Commission and the accompanying report of the Board of Engineers have doubtless by this time been considered by the Canadian Government. I am authorized by the President to state that he favours the negotiation of a treaty to be framed on the basis of the report of the Joint Commission, or such modifications as might be agreed upon, and I should be glad to be informed whether the appropriate British and Canadian authorities are disposed to undertake the negotiation of such a treaty.

Obviously much study would be required to frame a comprehensive agreement to govern the joint operations of the Governments of the United States and Canada with respect to the execution and the financing of the proposed work. Appropriate preliminary studies and investigations could probably be carried on by a joint commission of experts designated by the two Governments and charged with the framing of a *projet* of a treaty. I venture further to suggest that, if it should not be deemed desirable to formulate in the first instance a treaty embracing a complete plan for the execution and the financing of the project, it might be practicable to conclude a treaty, pledging the two Governments to undertake the execution of the project on the basis of the recommendations submitted by the International Joint Commission, or such modifications as may be agreed upon, and making provision for a joint com-

12 GEORGE V, A. 1922

mission charged with the duty of formulating such a complete plan, which should be subject to the approval of the two Governments prior to the beginning of the work of construction.

I should be glad if you would take the necessary steps to obtain and communicate to me the views of the appropriate British or Canadian authorities with respect to the foregoing suggestions.

Accept, Excellency, the renewed assurance of my highest consideration.

(Sd.) CHARLES E. HUGHES.

711.42157/

His Excellency

The Right Honourable

Sir AUCKLAND GEDDES, K.C.B.,

Ambassador of Great Britain.

P.C. 1142

CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 29th May, 1922.

The Committee of the Privy Council have had before them a report, dated 26th May, 1922, from the Honourable the Secretary of State for External Affairs, to whom was referred a despatch, dated 18th May, 1922, from His Majesty's Ambassador at Washington, transmitting a copy of a note dated 17th May from the United States Secretary of State to the effect that the President of the United States favours the negotiations of a treaty to be framed on the basis of the Report of the International Joint Commission on the subject of the improvement of the St. Lawrence river between lake Ontario and Montreal for navigation and for the development of water power.

The Minister represents, in connection therewith, that Your Excellency's advisers have not thus far had opportunity to give to the Report of the International Joint Commission and the accompanying Report of the Board of Engineers appointed to examine the subject, that careful consideration which their importance merits, and that moreover, having regard to the magnitude of the project and the very large outlay of public money involved, the Government is of opinion that it would not appear to be expedient to deal with this matter at the present time.

The Minister further represents that the Canadian Government have no objection to the publication of a statement as proposed by the President to the effect that the United States Government have raised this question officially with them.

The Committee concur in the foregoing and advise that Your Excellency may be pleased to transmit the substance of this minute, by telegraph, to His Majesty's Ambassador at Washington for communication of its purport to the United States Government.

All of which is respectfully submitted for Your Excellency's approval.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

